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## Committee on Resources

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**Gulf Coast Environmental Defense** 

**Testimony** 

Before the Committee on Resources

**United States House of Representatives** 

Hearing on H. R. 4761

To provide for exploration, development, and production activities for mineral resources on the Outer Continental Shelf, and for other purposes.

June 14, 2006

Minerals Management Service and US Environmental Protection Agency documents acknowledge that the Gulf Coast and the Gulf of Mexico are already experiencing severe environmental stress, and have been for a number of years. Large areas experience over-enrichment, low dissolved oxygen, toxin and pesticide contamination, shellfish ground closures, and wetland loss. Degradation of water quality is expected to continue due to contamination by discharges and spills, due to eutrophication of waterbodies, and due to hydrologic modification. Contamination coming from point and nonpoint sources and accidental spills entering the water system from rural and urban sources can be both localized and pervasive. Sixteen-hundred contaminants have been measured in the Gulf's waters by USEPA. These contaminants include hazardous and toxic wastes, petroleum and petroleum products, pesticides, synthetic organic compounds such as dioxin, and metal and inorganic chemicals such as cadmium and mercury. The USEPA goes even further, saying, "Water quality is deteriorating, seagrass beds are dying, fish stocks are declining, the numbers of sea turtles, marine mammals, and coastal birds are decreasing and coastal wetlands and estuaries are disappearing." Another report, this one by the Center for Health and Global Environment, in 1998, also said that the Gulf of Mexico is more stressed than previously thought, and the health of the people and the economy of the coastal communities are at risk. These declines are for the most part, caused by humans. In Environmental Impact Statements for lease sales and drilling permits, the MMS and USEPA admit concern about the long-term and regional effects of some of the wastes that would be discharged into the Gulf of Mexico by drilling rigs.

In spite of some of the testimony you've heard, drilling, whether for oil or natural gas is a dirty, polluting business. Each rig discharges drilling muds and cuttings and produced water, as well as producing trash. Again, according to the environmental documents, these waste discharges could affect biological communities by smothering living organisms or through toxicity, causing slow growth, decreased species abundance, or altered reproduction. Specifically, discharged muds have been found to cause heavy metal, mercury and cadmium, sediment contamination. Documented biological effects on benthic organisms from drilling discharges include elimination and inhibited growth of seagrasses, declined abundance in species, altered community structure, and decreased coral coverage. Localized effects on benthic marine organisms in proximity to OCS drilling sites have been measured, causing altered community structure, and changes in abundance lasting for ten years, or in some cases, permanently. Fish, marine mammals, sea turtles, and coastal and marine birds will be expected to be impacted by the drilling discharges, pollutants and trash from OCS operations. Any pollution in the effluent could poison and kill or debilitate these organisms and adversely affect the food chains and other key elements of the Gulf ecosystem. In the case of endangered sea turtles, any loss of individuals could impact species survival, again according to the USEPA. In addition, the actual burial of pipelines would probably cause irreversible structural impacts on the seafloor, particularly in areas where hard substrates would be encountered.

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The cumulative impacts of the discharged muds and cuttings on the live bottoms of the Eastern Gulf would add to long- term regional offshore water quality degradation. USEPA estimates the annual discharge of contaminants in drilling muds and cuttings over the entire northern Gulf to be 748,000 tons. The regional impacts of the discharged drilling muds and cuttings are unknown. According to the EPA, averaging estimates on annual inputs, drilling muds and cuttings and produced water discharges from the entire OCS oil industry would contribute about 1.65 billion pounds per year and 44 million pounds per year of contaminants. According to the EPA, full determination of long-term impacts can not be calculated.

Another potential impact is from spills. There's a new urban myth – that there have not been any spills from drilling rigs in years. Unfortunately, that's just not true. Just a year ago, almost to the day, a 560 gallon spill from an Amerada Hess drilling platform washed up on the Breton National Wildlife Refuge oiling more than 800 pelicans in the rookery and killing almost 500 of them. According to the MMS, due to Hurricanes Katrina and Rita, 113 drilling platforms were lost and 146 hurricane-related oil/condensate/chemical spills were reported, six of at least 1,000 barrels (42,000 gal) were identified, the largest being 3,625 barrels (152,250 gal). Based on historical spill events, it is expected that elevated concentrations of petroleum hydrocarbons measurable in the water column would be gone as early as 6 months after the spill event, but residual water quality effects could occur as long as two years after the spill. If a spill were to reach our sugar white beaches, within a few months to 2 years after cleanup, although disturbed beach configuration would adjust to approximately predisturbance conditions, some oil that penetrated to depths beneath the reach of the cleanup methods would persist in beach sands and could be released periodically when storms and high tides resuspend or flush through beach sediments. During hot, sunny days, tarballs buried near the surface of the beach sand could liquefy and cause a seep to the sand surface.

Any further decrease in water quality, increase in trash, or oil spills will have catastrophic effects on our beaches and our economy, just recovering from the last two hurricane seasons. That's why the Pensacola Beach Chamber of Commerce as well as 26 Florida cities and counties have all come out strongly against drilling. These cities and counties represent more than 8 million Floridians who are aware that our economy depends on a healthy environment.

The bill we are here to discuss will lead to significant adverse impacts to the coastal communities. For 25 years, the OCS Legislative Moratorium and the longstanding Presidential OCS Withdrawals, have protected the coasts. They represent a bipartisan, bicoastal consensus and provide the most important cornerstone of US coastal protection. The OCS Legislative Moratorium was once again included in the FY 07 White House Budget Document this January, continues to enjoy the support of the President, and was just sustained on the House floor last month. HR 4761 would immediately rescind the Legislative OCS Moratorium nationwide, in all US coastal waters for both oil and gas drilling, and would reverse the Presidential OCS Withdrawals off of the Florida Gulf Coast. There is no justification, nor any public mandate, for this attack by HR 4761 on these popular protections for America's most sensitive coastal waters.

There is also no need to grant states any additional "veto authority" over the renewal of the Legislative OCS Moratorium each year beyond the clear existing ability that each state obviously already has to "opt-out" through the efforts of their own congressional delegation. The House delegation from any state could, right now, openly work to exempt their own state's coastline from continued protection in any given year. HR 4761 permanently writes all Members of Congress out of the decision making process as to how, where, and when expanded offshore drilling takes place off of their state. HR 4761 unnecessarily complicates the existing state role, in fact, and entangles the Governor and the state legislature of a coastal state in an onerous and time-consuming process that repeatedly imposes an unnecessarily high burden of proof, and very tight deadlines that are unlikely to be achievable, upon the Governor and state legislature of each state. State legislatures are not in session year-round in most states, making gaining concurrence at multiple junctures between a Governor and a state legislature unnecessarily complicated at best, and often virtually impossible. HR 4761 pits one state against adjacent states who may want to keep their coast and fisheries clean and unpolluted, and punishes states who choose to protect their coastal-dependent economies with continued legislative measures. States rights are seriously eroded in other ways, as the siting of transportation corridors through state waters, for subsea pipelines or tankering of crude oil from offshore rigs, would be pre-empted by the federal government in provisions contained in HR 4761.

As previously stated, the EPA and MMS agree that coastal states that have long suffered damage to their coastal zone as a direct result of the adverse impacts of federal offshore oil and gas drilling have a legitimate right to receive a fair and equitable share of federal receipts derived from federal offshore lease

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bonus bids and rents and royalties. Scientific studies tell us that extraction of oil and gas has caused significant subsidence (sinking) of coastal wetlands along an extensive portion of the Gulf Coast. The oil industry has cut deep channels for pipelines and for drill barge and vessel access to wellheads and other petroleum facilities, while sequential tropical storms have further eroded important coastal wetlands by scouring out these dredged channels and thus made coastlines even more vulnerable to storm damage. Money from the industrial activities that caused that damage should clearly be channeled to fix the damage, however, there is no legitimate justification for arbitrarily designing an allocation formula for directing federal OCS receipts to states in a manner that bribes states to accept new federal offshore drilling and more drilling closer to shore, or that punishes all states that make the legitimate choice to continue to protect their coasts from these same kinds of massive adverse impacts. It is obvious that all federal OCS receipts directed to states and localities should be utilized to mitigate damage from OCS activities, not to construct additional damaging infrastructure to attract even more drilling or to build inappropriate and harmful projects that further degrade the coastal zone, so strong standards for the use of the money by states and localities is an absolute necessity, but is lacking in HR 4761.

What is being promoted as a new category of so-called "gas-only" offshore leasing is unmanageable and ill conceived, and HR 4761 grants undue discretion to the Secretary of the Interior in deciding what combination of gas and liquid gas condensate would be deemed a "gas-only" lease. To provide a Governor and a state legislature with only 180 days in which to react to an "accidental" discovery of crude oil on what was originally promoted as a natural gas lease, or else the "gas only" lease would automatically become an oil and gas lease, is simply not practical, when most state legislatures are not in session throughout the year. Further, most of the adverse impacts of offshore gas drilling operations are virtually identical to offshore oil drilling operations, with the sole exception of the probability of creating a large oil spill. Liquid gas condensate is highly toxic to virtually all marine life on contact. Routine ocean dumping of spent drilling muds containing cadmium and mercury, random discharges of "produced waters" sometimes containing radium, and daily discharge of toxic hydrocarbons like benzene, toluene, and Polycyclic Aromatic Hydrocarbons (PAH compounds) occurs from either gas rigs or oil rigs.

The worst part of this it is unnecessary when there are faster, cheaper and cleaner alternatives. Our country contains less than 5% of the world's gas and oil reserves and uses 25% of the world's petroleum. We cannot drill our way to energy independence. It's only through conservation, increased efficiency, and use of a combination of alternative, renewable energy sources that we'll ever be self sufficient.

Unfortunately, the routine water and air pollution and potential damage from spills and accidents don't respect state boundaries. The Gulf is already stressed, and bringing rigs up to a line or an arbitrary distance on a map, won't stop damage that will be caused by drilling to Florida's coastal communities. The forecasters are predicting another decade of active hurricane seasons, and we on the Gulf Coast, as well as communities along the East Coast, can expect storms with potentially severe damage to our environment and economies. We certainly don't need to add the pollution from oil and gas operations to compound what nature will send us.